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Signed and Filed: June 16, 2020

DENNIS MONTALI
U.S. Bankruptcy Judge

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**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

In re:

PG&E CORPORATION,

- and -

**PACIFIC GAS AND ELECTRIC
COMPANY,**

Debtors.

☐ Affects PG&E Corporation

☐ Affects Pacific Gas and Electric
Company

☒ Affects both Debtors

** All papers shall be filed in the Lead Case,
No. 19-30088 (DM).*

Bankruptcy Case No. 19-30088 (DM)
Chapter 11
(Lead Case) (Jointly Administered)

**ORDER (I) APPROVING TERMS
OF, AND DEBTORS' ENTRY INTO
AND PERFORMANCE UNDER,
AMENDED EQUITY BACKSTOP
COMMITMENT DOCUMENTS
AND (II) AUTHORIZING
INCURRENCE, PAYMENT AND
ALLOWANCE OF RELATED
PREMIUMS AS ADMINISTRATIVE
EXPENSE CLAIMS**

[Related to Docket No. 7848]

1 Upon the Motion, dated June 9, 2020 [Docket No. 7848] (the “**Motion**”)¹, of PG&E
2 Corporation (“**PG&E Corp.**”) and Pacific Gas and Electric Company (the “**Utility**”), as
3 debtors and debtors in possession (collectively, “**PG&E**” or the “**Debtors**”) in the above-
4 captioned chapter 11 cases (the “**Chapter 11 Cases**”), pursuant to sections 105(a), 363(b),
5 503(b) and 507(a)(2) of title 11 of the United States Code (the “**Bankruptcy Code**”), Rule
6 6004 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”) and the
7 Approval Order, for entry of an order (i) approving the terms of, and the Debtors’ entry
8 into and performance under, the Amended Equity Backstop Commitment Documents with
9 the Backstop Parties and (ii) authorizing the incurrence, payment and allowance of the
10 Additional Backstop Commitment Share Premium as an administrative expense claim, all
11 as more fully provided in the Consents and as set forth in the Motion; and this Court having
12 jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C.
13 §§ 157 and 1334, the *Order Referring Bankruptcy Cases and Proceedings to Bankruptcy*
14 *Judges*, General Order 24 (N.D. Cal.) and Rule 5011-1(a) of the Bankruptcy Local Rules
15 for the United States District Court for the Northern District of California (the
16 “**Bankruptcy Local Rules**”); and consideration of the Motion and the relief requested
17 therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper
18 before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found
19 that it may enter a final order consistent with Article III of the United States Constitution;
20 and this Court having found and determined that notice of the Motion is reasonable and
21 sufficient under the circumstances, and it appearing that no other or further notice need be
22 provided; and this Court having reviewed the Motion and the Ziman Declaration; and a
23 hearing to consider the Motion having been held before this Court on June 16, 2020 (the
24 “**Hearing**”); and this Court having found that the Amended Equity Backstop Commitment
25 Documents have been negotiated in good faith and at arms’-length between the Debtors

26 ¹ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them
27 in the Motion.

1 and the other parties to such agreements; and this Court having determined that the legal
2 and factual bases set forth in the Motion and the Ziman Declaration and at the Hearing
3 establish just cause for the relief granted herein; and it appearing that the relief requested
4 in the Motion is in the best interests of the Debtors, their estates, creditors, shareholders,
5 and all parties in interest; and after due deliberation and sufficient cause appearing therefor,

6 **IT IS HEREBY ORDERED THAT:**

7 1. The Motion is granted as set forth herein. Any and all objections with
8 respect to the Motion, to the extent not withdrawn, are hereby overruled in all respects on
9 the merits.

10 2. The Amended Equity Backstop Commitment Documents, each in
11 substantially the form attached to the Motion as **Exhibits B, C and D** with the Backstop
12 Parties, are hereby approved in their entirety. The Amended Equity Backstop Commitment
13 Documents are valid, binding and enforceable against the Debtors.

14 3. The Debtors' entry into the Amended Equity Backstop Commitment
15 Documents constitutes a reasonable exercise of the Debtors' business judgment and is
16 hereby approved. The Debtors are authorized to perform under and implement the terms
17 of the Amended Equity Backstop Commitment Documents and the exhibits thereto, and to
18 negotiate, prepare, execute and deliver all documents, and to take any and all actions
19 necessary and appropriate to implement the terms of the Amended Equity Backstop
20 Commitment Documents and to perform all obligations thereunder on the terms and
21 conditions set forth therein, without further notice, hearing or order of this Court.

22 4. The Additional Backstop Commitment Share Premium is an actual and
23 necessary cost and expense of preserving the Debtors' estates and as such shall be treated
24 as an allowed administrative expense of the Debtors pursuant to section 503(b) of the
25 Bankruptcy Code with the priority set forth in section 507(a)(2) of the Bankruptcy Code,
26 whether or not the Equity Backstop Commitments are funded, and none of the amounts
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1 shall be discharged, modified, or otherwise affected by any chapter 11 plan of any of the
2 Debtors, subject to and in accordance with the Consents.

3 5. The Debtors are authorized to pay and incur the Additional Backstop
4 Commitment Share Premium in accordance with the terms of the Consents, without further
5 notice, hearing, or order of this Court, as, when, and to the extent the Additional Backstop
6 Commitment Share Premium becomes due and payable under the terms of the applicable
7 Consent, which Additional Backstop Commitment Share Premium shall not be subject to
8 any challenge, contest, attack, rejection, recoupment, reduction, defense, counterclaim,
9 offset, subordination, recharacterization, avoidance or other claim, cause of action or other
10 challenge of any nature under the Bankruptcy Code, under applicable non-bankruptcy law
11 or otherwise.

12 6. The terms and provisions of this Order shall be binding in all respects upon
13 all parties in these chapter 11 cases, the Debtors, their estates, and all successors and assigns
14 thereof, including any chapter 7 trustee or chapter 11 trustee appointed in any of these cases
15 or after conversion of any of these cases to cases under chapter 7 of the Bankruptcy Code;
16 *provided*, that the Backstop Parties shall be under no obligation to extend any financing to
17 any chapter 7 trustee or chapter 11 trustee.

18 7. Subject to the terms and conditions of the Amended Equity Backstop
19 Commitment Documents, the Debtors and the Backstop Parties may enter into any
20 nonmaterial amendment, modification or supplement of any provision of the Amended
21 Equity Backstop Commitment Documents, and the Debtors are authorized to enter into any
22 such amendment, modification, supplement or waiver (and to pay any premiums and
23 expenses, amounts, costs and other obligations in connection therewith), without further
24 notice, hearing or order of this Court. In the case of any material amendment, modification
25 or supplement to the Amended Equity Backstop Commitment Documents that is adverse
26 to the Debtors (a “**Material Amendment**”), the Debtors shall provide notice (which may
27 be provided via electronic mail or other electronic means) to the Notice Parties, each of
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1 whom shall have five (5) calendar days from the date of receipt of such notice to object in
2 writing to the Debtors and the Backstop Parties to such Material Amendment. If no
3 objections are timely received (or if the Notice Parties indicate via electronic mail that they
4 have no objection) to a Material Amendment, the Debtors are authorized to execute such
5 Material Amendment, which shall become effective and enforceable against the Debtors
6 and their estates immediately upon execution. If a Notice Party timely objects and such
7 objection is not resolved prior to the date upon which such objection is scheduled to be
8 heard by this Court, approval of this Court (which may be sought on an expedited basis)
9 will be necessary to execute a Material Amendment.

10 8. Nothing in this Order, the Consents, the Amended Equity Backstop
11 Commitment Letters or any other documents related to the transactions contemplated
12 thereby shall in any way be construed or interpreted to impose or allow the imposition upon
13 any Backstop Party of any liability for any claims arising from the post-petition activities
14 of the Debtors in the operation of their businesses, or in connection with their restructuring
15 efforts.

16 9. Except as explicitly provided for herein, this Order does not create any
17 rights for the benefit of any third party, creditor, equity holder or any direct, indirect or
18 incidental beneficiary.

19 10. Notice of the Motion as provided therein shall be deemed good and
20 sufficient and the requirements of the Bankruptcy Rules and the Bankruptcy Local Rules
21 are satisfied by such notice.

22 11. Notwithstanding the possible applicability of Bankruptcy Rule 6004(h) or
23 any other Bankruptcy Rule or otherwise, the terms and provisions of this Order shall be
24 immediately effective and enforceable upon its entry.

25 12. The Debtors are authorized to take all reasonable actions necessary to
26 effectuate the relief granted pursuant to this Order in accordance with this Order and the
27 Motion.

1 13. The automatic stay under section 362 of the Bankruptcy Code is hereby
2 modified to the extent necessary to enable the Backstop Parties to perform under the
3 Amended Equity Backstop Commitment Documents and to exercise any and all of their
4 contractual rights thereunder.

5 14. The Court retains exclusive jurisdiction with respect to all matters arising
6 from or related to the implementation of this Order.

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8 **** END OF ORDER ****
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